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## INFORMATION REPORT INFORMATION REPORT

## CENTRAL INTELLIGENCE AGENCY

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SUBJECT Political and Economic Situation in Poland DATE DISTR. 15 February 1957 25X1

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SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

Included are the following subjects:

- The scarcity of food and drugs;
- Strained relations between the East German and the Polish regimes;
- The probable downfall of Gomulka through Stalinist action;
- Increased anti-Semitism, especially in high Government offices;
- Great interest in closer relations between Poland and Western Europe including a reunified Germany which would in effect give Poland a "Western" frontier.

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(Note: Washington distribution indicated by "X"; Field distribution by "#".)

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- f. The significance of the appointment of Edward Ochab as Minister of Agriculture.

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II. Civilian

3. Periodically there was a scarcity of butter and meat. During the "October Revolution" there was a rush on food stores and people were buying up everything they could. Stores were soon sold out but were replenished. Modern (foreign) drugs were also scarce. [redacted] the State operated a shop (APTEKA) on Nowy Swiat Street #62 (?) where drugs were bought from people who received them in packages from the West. These drugs were then resold to the public at a profit. Fear of inflation and/or a change of currency with devaluation, caused individuals to buy anything for which they had money enough. Also, thousands of emigrating Jews converted their money and larger domestic items into the purchase of smaller manageable items, i.e., jewelry, etc.

4. [redacted]
5. [redacted] "assume" there is still censorship in mail and in telephone calls judging by the strange noises and cut-offs -- both in domestic and international calls.

- \* 10. [redacted] Polish-East German relations were strained. East German Party leadership has "seriously" isolated Polish journalists and other delegates in East Germany. The journalists of Neues Deutschland have been ordered to stop contacting Polish journalists (and probably other Satellite journalists as well) except on a "must basis" through the East-German Foreign Office. [redacted] this order applies to all East German newspaper representatives, and also other representatives of the State. To make contact more difficult and less frequent between Polish representatives and East German representatives, visas are now necessary for Poles whereas previously (up to about three or four months ago) no visas were necessary. Polish youth visits to East Germany have been curtailed. [redacted] Walter Ulbricht is reported to have commented that the "counter-revolutionary" movement in Poland could be successful and all care and precaution must be taken against it. Dr. Girmus, the East German propagandist and leader of the German unification movement [redacted] was fearful of the same outcome in Poland. [redacted]

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[redacted] A United States loan would ameliorate the tragic economic situation in Poland, raise Gomulka's prestige, and prolong his stay in power, but [redacted] it is only a question of time until his Moscow-supported opponents will have him replaced. Economic conditions are "tragic beyond Western imagination" and the general situation is so "explosive" it could break out at any time. The Stalinists, though in the minority, are using every tactic to bend Gomulka to their ways and eventually to replace him.

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- \* Anti-Semitism sponsored by Moscow is used by the Stalinists to appeal to a nation which resents so many Jews in key positions. This tactic strikes at the intellectuals which is largely composed of Jews and which is demanding an end to Stalinism and the continuation of more and more democracy. Gomulka [redacted] has never previously been known to be anti-Semitic, is making concessions on this tactic as shown by the removal of Staszewski, the man who played an important role in engineering Gomulka to power. The Stalinists have, as their potential followers, the many Party and even non-Party bureaucrats who fear that fundamental changes from the past may result in the loss of their jobs and threaten their very survival. The Gomulka regime has already attempted to define the difficult limits of liberalization and create some order throughout the Party, the economy, and the nation.

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- \* [redacted] many Poles show great interest in all-European federation and European economic movements to get Poland closer to the West and away from Soviet control. [redacted] the Poles do not fear the re-unification of Germany, because the re-unification of Germany would give the Poles a welcomed common border with the West, and would lessen the "need" for Soviet troops to occupy Poland. [redacted] there is a great exaggeration in the West to the effect that Poland fears German re-unification. [redacted] in the event of re-unification, the Germans would settle for only small frontier concessions by the Poles along the Oder-Niesse rivers. [redacted] an agreement might be possible without any concessions at all.

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- \* The appointment of Ochab as Minister of Agriculture is interpreted [redacted] as an attempt to keep the control of this key ministry in strong Party hands.

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